

# INTEGRATED SAFEGUARDS DATA SHEET ADDITIONAL FINANCING

**Report No.: ISDSA8622**

**Date ISDS Prepared/Updated:** 25-Apr-2014

**Date ISDS Approved/Disclosed:** 17-Mar-2014, 29-May-2014

## I. BASIC INFORMATION

### 1. Basic Project Data

<b>Country:</b>	Senegal	<b>Project ID:</b>	P146859
		<b>Parent Project ID:</b>	P122476
<b>Project Name:</b>	SN: Public Res. Management Strengthening (P146859)		
<b>Parent Project Name:</b>	Public Financial Management Strengthening Technical Assistance Project (P122476)		
<b>Task Team Leader:</b>	Maimouna Mbow Fam		
<b>Estimated Appraisal Date:</b>	02-Jun-2014	<b>Estimated Board Date:</b>	31-Jul-2014
<b>Managing Unit:</b>	AFTMW	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Central government administration (100%)		
<b>Theme(s):</b>	Public expenditure, financial management and procurement (100%)		
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No
<b>Financing (In USD Million)</b>			
Total Project Cost:	30.00	Total Bank Financing:	30.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			30.00
Total			30.00
<b>Environmental Category:</b>	C - Not Required		
<b>Is this a Repeater project?</b>	Yes		

### 2. Project Development Objective(s)

#### **A. Original Project Development Objectives – Parent**

The PDO is to enhance the credibility, transparency, and accountability in the management and use of central government finances. The project aims to support the modernization of the Public Financial Management system in Senegal. It includes four components: (1) Strengthening Fiscal Policies and Planning; (2) Improving Budget Execution Processes; (3) Strengthening the capacity of external audit and legislative oversight; and (4) Project Management.

#### **B. Current Project Development Objectives – Parent**

#### **C. Proposed Project Development Objectives – Additional Financing (AF)**

To enhance budget credibility, transparency and accountability mechanisms in the use and management of central government financial resources.

The project aims to support the modernization of the Public Financial Management system and the implementation of a Public Sector performance based system in Senegal.

It includes five components: (1) Strengthening Fiscal Policies and Planning; (2) Improving Budget Execution Processes; (3) Strengthening the capacity of external audit and legislative oversight; (4) Project Management; and (5) Supporting the implementation of a Public Sector Performance-Based Management and Results Monitoring system.

### **3. Project Description**

The proposed changes introduced under additional financing will involve and impact the following: (i) Component 2: Improving Budget Execution and Reporting Processes ; (ii) additional allocation to component 4 “Project management” to cater for additional implementation management and coordination costs over the extended life of the project; and (iii) inclusion of a new component “Supporting the implementation of a Public Sector Performance based Management and Results Monitoring.

The description of the changes introduced, in terms of new components and/or activities under additional financing, are provided below.

#### **Component 2- Improving Budget Execution and Reporting Processes**

The additional activities under this component are aligned to those defined in the already existing sub-components. They will therefore not contribute to triggering a change in the PDO. The AF will not also change the objective of the component as a result of the need to scale up to create greater development impact.

Sub-component 2.1: Strengthening budget execution processes: With the introduction of an additional activity under this sub-component to support the improvement of public procurement systems, the sub-component’s objectives will be amplified from that of: “Supporting the Treasury Department in the implementation of the WAEMU Directives by developing and disseminating an operation manual as well as conducting capacity-building activities for accountants, and supporting the decentralization of commitment authority to line ministries” to “Supporting (a) the Treasury Department in the implementation of the WAEMU Directives by developing and disseminating an operation manual as well as conducting capacity-building activities for accountants, (b) the decentralization of commitment authority to line ministries, and (c) strengthening public procurement systems for improved budget execution”.

Sub-component 2.2: Enhancing budget management information systems: With the variation in

scope of this sub-component “Enhancing budget management information systems”, the objective of the sub-component will thus change from “enhancing the respective processing capacities and functionalities of the existing ICT-based PFM information systems platform as well as provide the necessary capability to establish seamless interfaces between the five core systems themselves” to ‘establishing a platform for an integrated financial management information system for budgeting and core treasury operations and interfacing with other core systems with a view to enhancing the credibility, reliability and performance of the revenue and expenditure management systems of the government of Senegal”.

The original project conceived the enhancement of existing PFM ICT-based tools as well as the provision of the requisite capability to establish seamless interfaces between the two core but separate budgeting and treasury financial management information systems (ASTER and SIGFIG) with five other core systems (tax, customs, debt and payroll including pensions). The activities envisaged for implementation under the original project will remain as they would not negatively impact the outcomes envisaged under the newly introduced activities but would rather be leveraged for enhanced development outcomes. At the request of the Government, and based on clear justification to scale up the original project deliverables and increase the impact on improved economic governance, the additional financing will provide the enabling basis for ensuring that the government budgeting and treasury systems are fully integrated under a uniform platform and that this platform forms the basis for interfacing with six other separate systems (tax, customs, debt, payroll, pensions and banks). A fully integrated system that interfaces with the other core systems will provide a viable technical and functional basis and system of recording and controlling of public finances and thus better support the process of de-concentrating and decentralizing expenditure commitment authority to service delivery agencies consistent with the WAEMU Directives. At present, commitment authority is centralized at the budget department, who will continue to determine the fiscal envelope and budget ceilings, the aggregation of the overall government budgets, and the release of spending authorities to MDAs (based on cash availability).

An IFMIS project team will be constituted and will include technical, functional and training and change management specialists as well as MDA-based focal persons. The team will be instrumental in supporting the project implementation processes, aligning with the quality assurance consultants in the conduct and validation of the operational and user acceptance tests, defining change processes engineered by the WAEMU Directives, and coordinating the capacity building aspects across MDAs in systems operations and upkeep. To further strengthen the IFMIS project team, external consultants would be recruited to pair with civil servants and facilitate knowledge transfer as needed. The IFMIS Project Manager, under the authority of the overall project coordinator will, with support from the quality assurance consultants, be in charge of coordinating and negotiating on even terms with the implementation partner on the delivery of the technical, business requirements, and change management aspects of the IFMIS implementation. Annex 3 provides a detailed description of the activities introduced under the additional financing for the sub-component.

#### Component 4- Project Management

Additional allocation to the Project Management component will cover implementation management and coordination costs over the extended life of the project. In addition, one of the critical success factors in implementing a core IFMIS component in a project is the establishment of a core team led by an experienced IFMIS Specialist (serving as IFMIS project manager) who reports to the Executive Secretary (the overall Project Coordinator).

The proposed changes will also involve the addition of A New Component - “5” – Supporting the implementation of a Public Sector Performance-B based Management and Results Monitoring system.

The objective of this new component is to support the Government of Senegal in (i) monitoring the overall achievements of (i) the targets set by the National Economic and Social Development Strategy (SNDES) and Plan Senegal Emergent (PSE) (ii) establishing the reforms initiated in order to implement a Public Sector Performance-Based Management System, that will be applicable to both the Central Government level (Ministry of Finance and Line Ministries) and the State Owned Enterprises (SOEs) and autonomous agencies and, (ii) strengthening the system of monitoring and evaluation of results. This component aims at implementing a comprehensive set of monitoring tools which will enhance informed and timely decision-making abilities at key levels within the Government. Strengthened monitoring and evaluation is not only critical for the overall management of the targets set by the Plan Senegal Emergent, but is essential for the entire performance based management system adopted by the Government. The component includes two sub-components: (i) improving the Performance-Based Management System and the Central Government’s Oversight of SOEs and public agencies; and (ii) strengthening the implementation of a Result Monitoring Framework with available M&E information and results/causal chains underlying the Government’s program (for the National Economic and Social Development Strategy (SNDES) and Plan Senegal Emergent -(PSE).,

#### **4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

The project will be located in Dakar, Republic of Senegal

#### **5. Environmental and Social Safeguards Specialists**

Demba Balde (AFTCS)

Maman-Sani Issa (AFTN2)

<b>6. Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/ BP 4.01	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/ BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	

Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

<b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b>
The project is focused on PFM reforms and would not trigger any safeguards policies.
<b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b>
N/A
<b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b>
N/A
<b>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</b>
N/A
<b>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</b>
N/A

### B. Disclosure Requirements

<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>
Not applicable

### C. Compliance Monitoring Indicators at the Corporate Level

<b>The World Bank Policy on Disclosure of Information</b>			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ <input type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input checked="" type="checkbox"/> ]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [ <input type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input checked="" type="checkbox"/> ]
<b>All Safeguard Policies</b>			
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ <input type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input checked="" type="checkbox"/> ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ <input type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input checked="" type="checkbox"/> ]

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]

### III. APPROVALS

Task Team Leader:	Name: Maimouna Mbow Fam	
<b><i>Approved By</i></b>		
Sector Manager:	Name: Renaud Seligmann (SM)	Date: 29-May-2014